

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN**

IN RE:

RYDAHL INDUSTRIES, INC.

CASE NO.: SG05-10428

Debtors/

NOTICE TO CREDITORS AND OTHER PARTIES IN INTEREST

**DEBTOR'S MOTION FOR AUTHORITY TO CONDUCT
SALE OF JOHN DEERE LOADER FREE AND CLEAR OF LIENS,
CLAIMS, ENCUMBRANCES AND INTERESTS**

The attached motion has been filed with the Bankruptcy Court. **Your rights may be affected.** **You should read these papers carefully and discuss them with your attorney. (If you do not have an attorney, you may wish to consult one.)**

If you want the court to consider your views on this matter, attend the hearing scheduled for July 19, 2006 at 10:00 a.m. at the United States Bankruptcy Court, One Division Ave., Grand Rapids, Michigan, Courtroom A.

You or your attorney may wish to file a response explaining your position. Such response should be **received** at least three business days prior to the scheduled hearing. A copy should also be served upon the party who has filed the motion and to his/her attorney. **Please refer to Administrative Order 2004-06 (Mandatory Electronic Filing), effective January 1, 2005, for practices and procedures for filing pleadings with the court.**

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief.



Notice returned to Perry Pastula, Esq., for service of notice, motion and order shortening notice period upon matrix. (July 5, 2006-jm)(Court to serve Buyers' List)

July 5, 2006

DANIEL M. LAVILLE
CLERK OF BANKRUPTCY COURT

/s/

BY: Jackie Malone, Deputy Clerk

NOTICE IS HEREBY GIVEN that the court may, in its discretion, orally continue or adjourn the above hearing on the record in open court. If this occurs, parties in interest will not be given further written notice of the continued or adjourned hearing. If an entity is not present at the originally scheduled hearing, information regarding the time, date and place of an orally continued or adjourned hearing may be obtained at the Clerk's office from the docket.

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In Re:

Case No. SG 05-10428

RYDAHL INDUSTRIES, INC.,

Chapter 11; Filed 7/27/05

Debtor.

HON. JO ANN C. STEVENSON

**DEBTOR'S MOTION FOR AUTHORITY TO CONDUCT
SALE OF JOHN DEERE LOADER FREE AND CLEAR OF LIENS,
CLAIMS, ENCUMBRANCES, AND INTERESTS**

NOW COMES the Debtor, by and through its attorneys, Dunn, Schouten, & Snoap, and moves this Honorable Court pursuant to 11 U.S.C. 363 for entry of an Order authorizing the sale of a John Deere 644H Loader, Serial No. DW644H ("Deere Loader"), and in support states as follows:

1. The Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code on July 27, 2005 and has continued in possession of its assets and continued its business operations pursuant to §1107 and §1108 of the Bankruptcy Code.
2. The Debtor owns and operates a sand and gravel, excavating and trucking business.
3. The Debtor owns the Deere Loader which is not essential for its ongoing business operations and desires to sell and liquidate the Deere Loader at this time. The Debtor's business is seasonal. The Debtor has started its operations, but sales have only recently started and accounts receivable are being generated. While the Debtor is starting to collect its account receivables, it is in need of cash to continue its operations and make payments to the secured

creditors in accordance with agreements approved by this Court.

4. The Debtor has received an offer from A & B Farms of A-4203 Blue Star Highway, Holland, MI 49423, to purchase the Deere Loader for the price of \$60,000.

5. The Deere Loader is subject to a blanket security interest held by Greenville Community Bank as well as subordinate tax liens held by the Internal Revenue Service and the Michigan Dept. of Treasury. Those creditors are adequately protected by their security interest, mortgages, and liens on other assets of the Debtor.

6. The Debtor proposes to sell the Deere Loader pursuant to 11 U.S.C. 363(f) free and clear of any liens, claims, interests, or encumbrances.

7. The sales will be on an "AS IS - WHERE IS" basis with no warranties as to merchantability, fitness for a particular purpose, or any other matter except the Debtor shall warrant that the buyer will receive good and marketable title free and clear of all liens, claims, encumbrances, and interests.

8. The purchase price shall be paid in cash, certified funds, wire transfer, or other certified funds prior to the buyer receiving possession of the Deere Loader.

9. The Debtor has filed a Plan of Reorganization which contemplates paying creditors in full. The Debtor believes that the value of the Debtor's remaining assets are sufficient to pay all creditors in full and therefore allowing the Debtor to sell the Deere Loader and utilize the proceeds for start-up costs will not cause any detriment to the creditors.

10. Allowing the Debtor to sell the Deere Loader and utilize the proceeds will enable the Debtor to continue its efforts to level the real estate owned by the Debtor to make it more marketable and enhance the value of the property for the benefit of the bankruptcy estate and its

creditors.

11. The assets to be sold do not comprise substantially all the assets of the Debtor.

WHEREFORE, the Debtor prays this Court enter an Order authorizing the Debtor to sell the Deere Loader as set forth above, and that the Court grant such other and further relief it deems just and proper.

Respectfully Submitted,

DUNN, SCHOUTEN & SNOAP

Date: June 28, 2006

By: /s/ Perry G. Pastula
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